



Natural Resources Conservation Service
675 U.S. Courthouse
801 Broadway
Nashville, Tennessee 37203

January 5, 2004

TENNESSEE BULLETIN NO. 300-04-1

SUBJECT: LTP - ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)
FY 2004

Purpose. To provide guidance for implementing FY 2004 Environmental Quality Incentives Program (EQIP) and other programs in Tennessee.

Expiration Date: December 31, 2004.

As a result of the passage of the 2002 Farm Bill, numerous changes are being implemented with the management and implementation of the EQIP. The following changes are being initiated for the FY 2004 EQIP:

1. Three (3) State Average Cost Lists have been developed for East, Middle, and West Tennessee. The cost lists will be posted in the Electronic Field Office Technical Guide (e-fotg). A Technical Guide Notice for Section I, Cost Data, will also be posted on the NRCS Tennessee home page (see Technical Guide Notice No. 9 dated December 16, 2003). Average cost lists are dated November 25, 2003, for East and Middle Tennessee and December 2, 2003, for West Tennessee.
2. Cost lists should be reviewed closely to note changes, restrictions, and maximum cost share allowed for some practices, as noted in each individual cost list. These cost lists will be used for FY 2004 NRCS administered programs, with the exception of the Wildlife Habitat Incentives Program (WHIP).
3. For EQIP in FY 2004, maximum cost share has been limited for some major conservation practices as follows:
 - a. Composter and/or Litter Storage Conservation Practice Standards (313/317) - \$15,000.
 - b. Streambank and Shoreline Protection (580) - \$15,000 not to exceed 800 linear feet per contract.

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Louis Buck, SED, FSA, Nashville, TN

- c. Waste Storage Facility (313/359) – Limited cost share not to exceed \$100,000, and a Comprehensive Nutrient Management Plan (CNMP) is required. Practice codes 313 and 317, as identified in Item a, require a CNMP.
 - d. In the Middle Tennessee administrative area, a limit of \$15,000 cost share has been established per practice for all other cost-shared practices with the exception of those listed in a, b, and c above.
 - e. In the East Tennessee administrative area, cost share is limited for practice code 313/359 (Structure for Dairy Operations) as follows: CAFOE 1 - \$100,000; CAFOE 2 - \$75,000; and CAFOE - \$50,000.
4. As a result of developing three (3) cost lists that should reflect more accurately localized conditions, FY 2004 EQIP contract method of payment remains **Average Cost (AC)**. Average Cost (AC) for FY 2003 EQIP contracts remains in effect. The rate of cost share for eligible practices for EQIP will vary according to criteria developed within each administrative area. Field personnel should refer to the approved ranking criteria to verify cost-share rates. This should simplify the computation and certification of payment procedures. **Please note that this does not change FY 2002 or prior year EQIP contracts. The method of payment remains percent of actual not to exceed 75 percent of state average cost (AA).**

The Farm Service Agency (FSA) may use these 2004 cost lists for the Conservation Reserve Program (CRP). A new updated cost list for WHIP is currently being developed and will be distributed soon.

FSA and NRCS will continue to accept EQIP applications, rank, score, and make tentative approvals on a quarterly basis. No funding has been received as of this date; therefore, funding allocations are yet to be determined. Ranking criteria for FY 2004 has been approved. NRCS in Tennessee will be using **TOOLKIT** and **PROTRACTS** for developing conservation plans, conservation contracts, and tracking funds for 2004 EQIP. Training will be provided to field staffs according to schedules previously developed with input from Area Conservationists.

Questions may be directed to Donald L. Dotson, Assistant State Conservationist (Programs), at (615) 277-2567.

/s/

JAMES W. FORD
State Conservationist